

**GOVERNOR'S ENERGY POLICY TASK FORCE
MEETING MINUTES**

NOVEMBER 14, 2000

**IOWA UTILITIES BOARD HEARING ROOM
350 MAPLE STREET
DES MOINES, IOWA**

MEETING MINUTES

This Governor's Energy Policy Task Force meeting was called to order by Co-Chair David Hurd at 10:00 a.m. on Tuesday, November 14, 2000, at the Iowa Utilities Board, 350 Maple Street, Des Moines, Iowa.

MEMBERS PRESENT	MEMBERS ABSENT
David Hurd	Kent McLaughlin
Lee Clancey	Roger Amhof
George VanDamme	
Joyce Mercier	
Brenda Dryer	
Howard Shapiro	
Lana Ross	
Don Wiley	
Kevin Eekhoff	
Sandy Opstvedt	
Lisa Davis-Cook	
John Sellers	

Dave Hurd:

Draft minutes of the November 1 meeting can be found in your packets. Please send any comments or revisions to Sharon Tahtinen by end of business Thursday, November 16. This morning we are going to start with the energy efficiency panel. Following we will have a legislative update by our state agencies. We will then discuss the short-term recommendations to go to the Governor. There was some consideration as to changing the November 27 meeting but that does not seem feasible. Speakers were not available and we would lose many Task Force members. I would like to start the November 27 meeting at 9:30 a.m. if there are no objections.

(No objections expressed. November 27 Task Force meeting will start at 9:30.)

ENERGY EFFICIENCY PANEL**IOWA ENERGY EFFICIENCY PROGRAMS IN A NATIONAL AND INTERNATIONAL MARKET****BOB LATHAM, LATHAM AND ASSOCIATES**

The focus of my presentation is on the broader perspective of how Iowa fits in in a broader sense. Latham and Associates has been very aggressive among our clients. To date we have assured 300,000 kilowatts of interruptability. If we look at a power plant, we have displaced the need for at least 1/2 of one of those, just among our clients. It takes a lot of investment and effort to do that. A second thing is setting programs up for the future. Our clients have been very aggressive in investing heavily in the information systems they need to monitor their energy uses. They have established a basis for saying: Are we able to save energy? Are we able to control? Where are we wasting energy? One specific example we now have in place in 50 locations statewide is to be able get pulses every four seconds on what individual towns are doing. This system can feed information to its customers to be able to say, now is a great time to be investing in energy efficiency programs to control your loads.

Today in Tokyo is an Iowa trade mission. Many of the premium Iowa producers are there to push Iowa-based and produced value-added agriculture into Southeast Asia. Compare that to what the Governor is trying to do in Southeast Asia with what we are talking about here today. There is a huge difference. Many of those companies we are pushing and showcasing in Southeast Asia are the ones that are asking, "what is Iowa's energy policy?" Should they invest in Iowa? You look at what is and what would have been.

If we view energy efficiency issues based upon BTU per unit of product, that could be a disaster for various Iowa communities. These people are producing products in Iowa that are being moved into Southeast Asia. When I look at our own city of Cedar Rapids and the company of Cedar River Paper Company, which is one of the greenest plants in Iowa, and I see that it has to shut down at times due to being unable to compete anymore with other plants in other states.

In terms of making a case for energy efficiency programs, we are seeing private market choices to supply and demand, market imperfections limiting the market, fundamental policy becomes societal cost/benefits vs. private costs/benefits.

On private market supply and demand-role of prices, there is a willingness among citizens to adopt new demand-side technology and load-control by schools, farms and businesses. There is a broad array of energy efficiency suppliers, and energy efficiency uses can vary widely depending on production, housing and spatial factors.

Possible market imperfections in energy efficiency markets may be attributed to low income household access to financing, access to information, and landlord/renter relationships.

Societal policy costs/benefits versus private costs/benefits and issues related to production/consumption can give rise to societal costs/benefits. Societal costs/benefits should be looked at on a national and international basis, and public policy should reflect regional issues.

What are possible policy implications of societal costs/benefits? Implementation of an energy tax, indirect energy taxes for energy efficiency programs, and regulatory actions to limit the supply and demand.

What are some possible policy implications and considerations? Significant energy tax differentials between Iowa and other states, significant energy tax differentials within Iowa, and limiting electric choice of suppliers discourages efficient electric generation and technology in Iowa.

If we are talking about the reason for energy efficiency programs as a societal costs/benefits issue, it makes no sense to have some areas pay those taxes and other areas not pay those taxes. If you happen to be a customer of a Municipal utility or REC, you pay almost nothing. If we are talking about programs that are societal-based, we need to be addressing these issues.

Howard Shapiro:

You mentioned the measure of BTU per product. I want to make sure I understand your point. I believe that using a measure of BTUs versus productivity is an excellent measure of improvement. If you reduce BTUs per unit of production, particularly if that comes primarily by increasing production, you increase economic value. As long as the increase in output exceeds the increase in energy costs associated with it, it seems to me we are moving to a better place.

Robert Latham:

I agree with you. If we are truly talking about investing in more energy efficiency programs in order to get more product out on a lower cost basis, the result may appear to be that there is a huge amount of energy used, but that fact is compared to BTUs per unit of output.

Howard Shapiro:

So you are saying that if we are comparing two geographic locations, we should not use BTU per unit of output as a measure of energy efficiency, but we should use it as a tool to determine what programs to implement as improvement measures?

Brenda Dryer:

You mentioned a plant going in Cedar Rapids versus Muscatine and the differential of \$1 million in energy costs. Would that be related back to the BTU tax that is being charged by IOUs and not being charged by municipals and RECs?

Robert Latham:

Yes. There may be other differences in underlying costs. I am talking purely of the energy efficiency and renewable energy taxes that a comparable plant in Cedar Rapids has to pay versus Muscatine.

Brenda Dryer:

Is that the \$44 million we talked about in our last session?

Robert Latham:

Actually there is \$44 million but it is the total of \$82 million. What I am saying is of that \$82 million, if you happen to be building a plant in Cedar Rapids, you will pay at least eight times the amount versus building the same plant in Muscatine. This does affect location decisions.

HISTORY OF ENERGY EFFICIENCY INITIATIVES BY THE IOWA UTILITIES BOARD

GORDON DUNN, IOWA UTILITIES BOARD

Presentation gave highlights of the Iowa Utilities Board's involvement in energy efficiency over the past 20 years. This presentation explained the original energy efficiency statute, Senate File 2403, that was enacted in 1990. This statute required investor-owned utilities (IOU) to: have energy efficiency plans reviewed by Iowa Utilities Board; have targeted levels of spending for revenues for electric and natural gas programs; mandate certain energy efficiency programs; go before the Iowa Utilities Board before cost recovery could occur; have the Iowa Utilities Board authorize rewards, penalties and capitalization of expenditures; have research conducted on energy efficiency, renewables and climate change; purchase electricity from renewable electricity producers; and file energy efficiency plans and report on the results of those plans.

The revised energy efficiency statute, Senate File 2370, enacted in 1996 required IOUs to: have energy efficiency plans be cost effective; to include programs for all types of customers using Iowa contractors if cost effective; suspend spending targets; have an energy efficiency analysis for any plans; have cost recovery through automatic rate pass-through; and have IUB conduct prudence review of energy efficiency programs.

This presentation also provided a summary of load management and energy efficiency results of electric and natural gas programs. It showed the peak capacity savings and annual energy savings, net societal benefits of load management and energy efficiency programs by IOUs.

IOUs are presently collecting charges for past and current energy efficiency programs. The charges for past programs are combined with the ongoing costs of utility energy efficiency programs to make up the total energy efficiency surcharge. Three tables in the presentation showed the electric energy efficiency charges for past programs, electric and gas energy efficiency charges for past programs, and electric and gas energy efficiency charges for new program activities.

BASIS FOR ENERGY EFFICIENCY PROGRAMS

DAVID HABR, OFFICE ON CONSUMER ADVOCATE

Energy efficiency programs allow us to keep from building peaking plants. It appears, from the data we have seen, that we have a lot of available off-peak capacity in this state. When we are thinking of energy efficiency, we need to think about how it impacts these types of plants. I look at energy efficiency as being something that helps us level our loads throughout the year, and allow us to be able to provide energy more efficiently in the state. I think we need to keep that kind of broad perspective.

Energy efficiency is designed to help customers achieve energy services at the lowest possible cost. Before customers can make a decision on energy efficiency, they must be aware of the options they have available to them and have an incentive to act upon those options. Incentive means comparing bill savings with capital improvements and determining that the bill savings more than offset the needed capital improvement. For large customers this is standard operating procedure. For smaller customers such comparisons may not be made and if they are, they may not be acted on.

Once smaller customers are made aware of their options, there are two main impediments to implementing energy efficiency. First, those small customers that own their home or small business must finance the capital outlay. Second, there is the problem when the person making the capital outlay is not the same person who pays the energy bills. This situation occurs in the landlord/tenant relationship and new construction. In both these cases, methods must be developed to ensure the outcome is the same as when the person making the capital outlay is paying the bills.

It must also be recognized that the costs for energy services faced by individual customers may not reflect the total cost of providing those services. External costs, such as damage incurred due to acid rain, need to be included in the list of expenses that can be avoided through the use of energy efficiency. Because the individual customer does not receive the monetary benefit of these savings, it may be necessary to provide incentives to induce the desired energy efficiency. Energy efficiency is sound as long as the savings from the capital outlay are more than the capital outlay needed to generate the savings. Sound energy efficiency opportunities remain in Iowa.

ROYA STANLEY, NATIONAL RENEWABLE ENERGY LABORATORY

The National Renewable Energy Laboratory is located in Colorado. It is one of the U.S. Department of Energy's principal labs. We deal with renewables and energy efficiency. I think it is important to recognize that the two go together. You do energy efficiency first then you look at how you might provide the energy you require. My responsibility with the National Renewable Energy Laboratory is to lead the team for state and local initiatives. We are the bridge between the laboratory and the state and local governments.

The National Renewable Energy Laboratory is the only lab dedicated to renewable energy and energy efficiency. We are very much linked to market opportunities. This is what I want to focus on today.

I believe you have had discussions on energy intensity. This is something that is discussed nation-wide. It is important to realize that this is an important indicator of opportunities. There are many drivers to

energy efficiency. Those drivers are: energy security, climate change, air emissions, electric utility restructuring and the bottom line. But, when it comes down to it, it is really all about the bottom line.

Energy security can lessen price shock. When we buy energy efficiency, we purchase fixed cost BTUs. You know going in what you paid for the BTU when purchasing, installing and managing that technology appropriately. Energy security is also about the damage associated with storms. There is a lot of money lost in our economy due to weather impacts. Energy efficiency and renewable energy make communities more disaster resistant. This reduces loss in tax revenues, business losses, relocation costs, vandalism, electrical services and injuries.

There are many bottom line opportunities associated with addressing air emissions. A number of Canadian utilities are purchasing CO2 avoidance. Ford has required all suppliers to become ISO 14001 certified by 2003. What this really means is that some of the larger companies will be requiring their suppliers to reduce their impact on the environment. DuPont has on its web site a tracking of its environmental impacts in regard to its carbon emissions.

Electric restructuring is something that is going on nationwide. There are a lot of implications associated with that. Many of the states that have restructured have put in some kind of systems benefits, wire charge or some other pool of money that is drawn on for energy efficiency, renewable and low-income assistance programs.

One program I would like to talk about is the Energy Star program. This is a joint program between the U.S. EPA and U.S. DOE. There is a lot of potential out there if we all bought Energy Star products. With Energy Star products, the average home energy bill could be cut by 30%. If all businesses and households in the U.S. used Energy Star products for the next 15 years, the reduction in greenhouse gas emissions would be the equivalent of taking 17 million cars off the road. The fact of the matter is we are still seeing people purchase appliances that are not energy efficient. There are opportunities to change people's behavior here.

Lana Ross:

Is that because of cost?

Roya Stanley:

Sometimes it is because of first cost. If people only understand first cost, they are likely to buy the inefficient option. It is estimated that nationally that if we installed Energy Star products we could reduce our energy bill by \$100 billion.

I want to talk to you briefly on renewable energy. When I talked to you before, it was about the bottom line of the current situation. I now want to talk about the bottom line of the future. I like this Shell Sustained Growth Scenario slide. Shell Oil was one of the oil companies that came through the 1980s when oil prices were low, still profitable. They were astute at scenario planning. They were able to look at what might happen and be prepared to meet that and be profitable. They are really looking at a growth in renewable energy over the next several decades. What we need to look at is where does Iowa want to be in that marketplace.

We will now go back in the issue of investment in efficiency and renewables. The first map shows the per capita investments in renewables and energy efficiency through new public benefits programs. The second map shows per capital investment in energy efficiency also through public benefits programs.

You can see that there is quite a range in terms of how much is being spent by states across the nation per capita for efficiency.

Lee Clancey:

In those cases where there is nothing, does that mean there is no money being spent by the state?

Roya Stanley:

It means that they have not passed public benefits programs recently. This is really associated with system benefits charges, wire charges and those kind of things.

David Hurd:

This is only money that is being spent by the government through the utilities.

George VanDamme:

But Iowa is not shown. We just heard that there was some \$80 to \$100 million that Iowa shows in energy efficiency programs. Having nothing for Iowa is certainly misleading.

Roya Stanley:

This is about going forward rather than what happened in the past. It is associated with wire charges that have been employed the last two years. It does not include older state energy policies.

One of the other things I want to talk to you about is the state energy office. When it comes to administering systems benefits charges, it is often the state energy office that is able to take on that responsibility. I did want to give you a context of what DOE looks to in states and state energy offices. The first and foremost in principal responsibility is energy emergency preparedness. Second is state energy policy. Third for delivery of state energy efficiency and renewable energy programs.

Lisa Davis-Cook:

Having worked here in Iowa with the Energy Bureau can you give us an overview of where you think the state can improve on efficiency and maybe a little bit about the state's potential for renewables and how that would factor into the mix as well?

Roya Stanley:

There are a lot of opportunities for efficiency. Just in terms of motors there is potential savings of 11–18% nationwide. When you are talking about process engineering you are talking about the opportunity to reduce your energy consumption per unit of output, which is about global competition. I wouldn't overlook the residential sector, even though it is more challenging. In terms of renewable energy, clearly Iowa has a lot of opportunity. The one that is most visible is wind. Being an agricultural state, there is also biomass and switchgrass.

George VanDamme:

From your graphs you've presented it certainly looks as though prices are coming down to make some of these things cost effective. One lacking piece of data is the direct burn of biomass. Do you have a graph available on the direct burn of biomass?

Roya Stanley:

I don't know the answer to that but I can go back and find out. I will then get that to you.

Howard Shapiro:

On your graph on the Shell projection--on the oil and natural gas, they show it peaking but not coming down over the 40-50-year period. They show a tremendous growth. Is that worldwide? That would represent a lot of less-developed countries coming on line. Do they show what is projected for the U.S? Internationally, some countries that are not as energy intensive will end up using renewable technologies. I am wondering whether, as an oil industry projection, if that was built in.

Roya Stanley:

I have not seen one for the U.S., but I will go back and look into that.

**WAVERLY LIGHT AND POWER ENERGY EFFICIENCY AND RENEWABLE ENERGY PROGRAMS
GLENN CANNON, IOWA ASSOCIATION OF ENERGY EFFICIENCY**

I am here representing the Iowa Association of Energy Efficiency. What I would like to do today is tell you about some of the energy efficiency programs we have in Waverly, how we feel about the programs, and what we are doing there.

We use extensive integrated resource planning in Waverly. This looks at energy from both sides of the meter. We look at the relationship between the utility and the customer. The utility is actually investing in the customer's future energy efficiency to benefit all customers. I would also like to mention we do not use load management in Waverly. We think managing resources properly is more important. The utility business should have a moral obligation to affect more energy efficiency.

I would like you to keep in mind the successes we have had in Waverly. Two weeks ago we had another rate decrease. This is the fifth rate decrease in five years. We attribute these decreases to our energy efficiency programs. There are many energy efficiency programs Waverly uses for their residential, commercial and industrial customers. These are listed in the handout.

The first chart (Table 1) I would like for you to look at is what is going on nationally. I think the numbers will speak for themselves. Since 1995 there is less energy savings, less peak load reduction. The money that is going into efficiency has declined. Most of this, I believe, is due to restructuring or the threat of restructuring.

The next charts show you where Waverly actually generates its power. You will notice that Waverly has a 4.87% use of renewables. The Department of Energy goal is 5% by the year 2020. Charts are also

included for the hydro and wind power. We have three wind turbines, one in Waverly and two in Alta. There is another wind turbine proposed.

Sandy Opstvedt:

Where would this proposed wind turbine be located?

Glen Cannon:

If we can put another one in Alta we will. We have not been able to get a transmission path back to Waverly. We would probably put the wind turbine in Waverly at a cost of 13-15%. The wind is just that much better in Alta versus Waverly.

Howard Shapiro:

If you didn't account for the subsidies and transmission, what would the cost per kilowatt hour be?

Glen Cannon:

It would be in the \$.05 range. Those costs are actually on wind turbines we have now. The wind turbines we are looking at installing in the future are approximately 20-30% more efficient.

One of the issues with renewable energy is that it has limits. You cannot dispatch wind. However, it also a good hedge on fuel prices when you are looking at mixing resources.

I have other charts in the presentation that look at the changes in usage and demand, DSM expenses, and residential customer usage from 1990 to 1999 for the City of Waverly. There are also charts which touch on the environmental impacts when reducing energy consumption. Waverly participated in voluntary greenhouse gas reporting. This chart shows all of our sources and emissions associated with those sources. In looking at the CO2 per MWh used chart, you can see we have a steady decline over the past years. Waverly has received many awards for these programs, which I have listed for you, which we are very proud of.

David Hurd:

What load factor do you deem is ideal?

Glen Cannon:

The ideal load factor is 100%. Utilities that typically have around 60% are doing pretty well. A lot of the times the utilities don't have any choice. It depends on how well their customers use the energy. Larger industrial customers that have three shift operations tend to help the system more efficiently. Residential tends to be worse, probably less than 20%.

Lisa-Davis-Cook:

How much capacity do you think you have saved through your energy efficiency programs?

Glen Cannon:

If we were looking at our demand track and our energy, we would be over 28 megawatts. We probably saved 2 megawatts, which would be 7-8% conservatively.

Kevin Eekhoff:

Does the power go directly back to Waverly from the wind turbines in Alta or do you sell it to the company that has the rest of the wind turbines in that area?

Glen Cannon:

It comes directly back to Waverly through contract. We purchase some wholesale power from MidAmerican Energy, and the way we account for that is we subtract the generation from the purchase. The wheeling path goes back to Waverly. This brings up an issue when we talk about transmission. We are in MidAmerican's control area, which is a benefit to us since this is where our wind generation is. We are also a network generation customer, so we can have generation anywhere on this network without additional transmission costs.

Lee Clancey:

Are there any more questions for the panelists?

Thank you all very much for being here this morning. We appreciate your taking the time to answer our questions.

LEGISLATIVE UPDATE REPORTS:

Lee Clancey:

I have received a number of invitations to meet with large industry users, IOUs etc. I just wanted to make you aware of these invitations. I will be meeting with Alliant Energy on December 11. Even though they will be meeting with us on November 27, they have asked to have some additional time. That meeting will be 1:30 - 3:00 in Cedar Rapids. If any of you would like to attend please let me know. There is a large energy group composed of many of the big industrial users of energy in the Cedar Rapids area. They are asking for a meeting, but the time and place have not been finalized. I have also received an invitation from the Iowa Utilities Association to attend the 2000 Industries Issues conference to be held on Wednesday, November 29.

Joan Conrad:

In your packets you should have a memo from me with a few items attached to it. To my knowledge there is no legislation that is going to affect energy policy in Iowa planned at this point. The IOUs are looking at capacity issues and transmission reliability issues. They are trying to decide if there are any legislative initiatives they might take in that area.

The RECs have told me they are going to have some technical legislation that will not affect the scope of this task force.

In looking at this, I believe there are two things you need to know that are going on here at the board. One thing is the NOI (Notice of Inquiry) we talked about very briefly last time. This is a very informal proceeding here at the board, that is more a collaborative process, looking into the reliability of the transmission and distribution system. What might come out of that process is some rulemaking down the road, possibly legislation, but it will not be for the 2001 session.

The other thing is, we have another docket going on that is an INU investigation. This is a more formal proceeding in which we ask the three IOUs to present plans by March 1, 2001. This docket also looks into reliability and transmission issues along with generation planning. What the IOUs have been asked to provide by March 1 is more or less an energy plan. This will give us a better view of the state's energy outlook over the next 10 years. They will have to give us what their energy plan is for the summers of

2001 through 2010. The importance of that is that the peak load planning must occur because of the summer season.

These proceedings will not likely produce anything for the 2001 session, but just so you are aware that both of these dockets are going simultaneously, and that either a formal rulemaking or legislation may be an outcome of either one of those dockets.

Monica Stone:

As a part of the Governor's leadership initiative for the state, one goal that has been established is to use energy more efficiently in the state of Iowa. As a part of that goal, the Department has been involved in planning with a variety of teams within state government. One of the recommendations from these teams is to reduce energy use in the state by 20% and increase renewable use by 10%. Whether that will end up as a legislative initiative is still in the air, but there certainly is a possibility it could.

Jerry McKim:

You asked previously for some information on what other states have done in relation to low-income assistance and energy efficiency. I received the following information (*1999-2000 State-By-State Supplements to Energy Assistance and Energy Efficiency*) from the LIHEAP clearinghouse. This information is compiled from a leveraging report that states have the option to file. I want to point out the State/Local column so that if you are considering recommending some state appropriation, you will see that it is not unheard of to make that type of recommendation.

Additionally, one of the things we do is Conservation Education. (*Distributes of Iowa Energy Savings Guide brochure*)

CONTINUED DISCUSSION ON LEGISLATIVE OPPORTUNITIES:

Lee Clancey:

We need to get back to our discussion on short-term recommendations for the upcoming session. I know that there are other people in this room that feel as uncomfortable as I do about making any kind of recommendations because I don't feel as though I am knowledgeable enough to do so. But that is part of our charge. I think that we need to make a good faith effort to come up with some short-term recommendations for the Governor to consider taking to the Legislature in the next legislative session.

David Hurd:

It seems to me that there are two recommendations we ought to act on, because if we don't, they are going to disappear. One of those is the \$44 million. My understanding is that will fall off and disappear out of the rates during the year 2001 unless something is done about it. I suggest a holding action, in the sense of a recommendation to the Governor that these amounts continue to be collected through this next year awaiting final report from our Task Force as to whether they should be abandoned or continued for various purposes. I know there are two sides to this argument. We have heard how this charge interrupts the development of power here in Iowa. We have also heard commentary on how this charge could be very important for energy efficiency and renewables. That seems to be one we have to act on. The second issue is low-income assistance. I suggest we ask the Governor that additional funds be made available to provide energy assistance to these low-income families. We could even suggest that the revenue for that could come from the increased sales tax revenues from the utility bills. It seems to

me that those are two issues we need to say yes we want to do or we don't want to do. I don't think we can just put it to one side. If we don't act on energy assistance now it will be too late, winter has already started. If we don't act on the \$44 million it will expire. Those are two issues we really need to take action on. The Governor's staff has asked for these recommendations by December 1. We have this meeting and the November 27 meeting to make up our minds and get these recommendations to them. I don't know whether we want to lay out other possibilities or take action on these issues one at a time.

Lee Clancey:

I think there was some concern expressed at the last meeting that we didn't have so many recommendations that they all got lost in the shuffle. I would like to know what the proposals are before we start prioritizing or voting. We need to know what we are looking at overall and have the big picture in mind.

Lana Ross:

I touched on both of those in the legislative intent for low income. I touched on the \$44 million and also on the immediate funding needed for low-income families. (*Energy Affordability Legislative Intent and the 1999 – 2000 HHS Poverty Guidelines Chart handouts were distributed to Task Force members.*) We will look at the 1999-2000 HHS Poverty Guidelines first. The federal government establishes the federal poverty levels by family size and different percentages of poverty. Anti-poverty programs use different levels of eligibility. If you look at the family size of 3, you will see to be at 100% of poverty they are earning \$13,880 a year. Let's say the Head Start program uses 100% eligibility. If you look at 185% eligibility you will see the income increases by about 85%, so a family of three living at 185% poverty is \$25,678. These income levels are consistent across the United States. States fluctuate in their reimbursement to families in welfare, that's a different amount and determined by the state. You may want to reference that when we talk about the Energy Affordability Legislative Intent. There are really three major ideas addressed in this Energy Affordability Legislative Intent document. The first has to do with allocating \$10 million dollars immediately to help address the unaffordable energy costs for low-income lowans this winter. Second is secure state funding for a low-income energy affordability/energy efficiency fund. Third is redirect unclaimed utility deposits and refunds to the Weatherization (WX) program.

Lee Clancey:

I think anything we send to the Governor that includes strategies should say "possible" strategies to consider. I don't think we have enough information to know that might be the best way to go about it. The \$10 million dollars you are suggesting will come out of the general fund?

Lana Ross:

The strategy suggests that it come from the sales tax generated by the higher utility bills. The general fund is another possible source for the funding.

David Hurd:

My thought is that we need to get these ideas on the table and we ought to discuss them to decide which ones we want to do. We need to stay pretty general and not get into any great detail at this stage. I can see the possibility that we might have a general point we want the Governor to take to the Legislature and there could be 5 or 6 ways of accomplishing that. We could list some examples, but I don't think it is necessary for us to conclude that a particular strategy is the right way to do it. I think that will be decided by the legislative branch and the Legislature.

Sandy Opstvedt:

I looked at the draft George VanDamme put together previously (*Electric Reliability Legislative Intent DRAFT*). In this document (*Distribution of the Energy Reliability for Iowa DRAFT*) are things that can be done in the future and some are for the December 1 deadline: 1) To ensure the safety and reliability of electricity and gas, require the adoption of maintenance and repair standards for both systems. 2) Develop policies, programs and standards aimed toward accelerating the construction of new power plants as well as promoting alternative sources of energy and energy efficiency. We are looking at the renewable alternatives and power plants that will be needed to provide the electrical power in the future. 3) Regulate the ability of Iowa utilities to service areas outside of Iowa. You need to know what the guidelines will be so if an entity comes in and builds a power plant in Iowa they would not have the ability to sell 100% of the power outside of the state. We have need for the power within Iowa. One recommendation may be that 80% goes to Iowa and 20% out of state. 4) Establish an independent system operator so power providers have fair access to the electrical system. This is something Glenn Cannon touched on this morning in his presentation. The ideal situation would be to set the wind turbine in Alta, but the utility couldn't do that due to not being able to get access to the grid. They would have to take a 13-15% cut and move the wind turbine to Waverly. I think this is something we seriously need to look at. 5) To ensure the safety and reliability of electricity and gas, require the adoption of maintenance and repair standards for both systems. Such standards would include, but not be limited to, transmission line, power plant and pipeline maintenance and repair, acceptable outage duration, and acceptable staffing levels. I think we need to have an independent group of experts conduct a comprehensive study and make recommendations as to the safety, reliability and capacity of both systems. This is something we talked about briefly at the last meeting. If we are going to get some kind of fund through the Legislature, it is something we need to address early on. In discussions with the Governor, he has told me that there is no such funding available. That this is something the Legislature would look at doing if we made that request. Colorado did a phenomenal study funded by legislative/executive money and grant funds in order to make a determination of what changes were needed for the electric system in Colorado. I think we need look at what other states have done in this area.

George VanDamme:

I would like to hear from the Iowa Utilities Board and the utilities about this study. On number three, I would really like an anti-trust lawyer to do that, if you are going to tinker with interstate commerce that way. On number two, you may be violating the 5th Amendment when trying to force an independent company to build something and tell them where to build it. That is taking stockholder's money without due process.

Sandy Opstvedt:

That is not the intent. The intent is to make it easier looking at siting and environment. We are not talking about mandating a certain utility to build a power plant in a certain area.

David Hurd:

It seems to me that these are all worthwhile items, but things the Task Force should continue to study. These are not things we need to act on at this meeting in order to send recommendations to the Governor by the December 1 deadline.

Sandy Opstvedt:

Most of these are something the Task Force can look at in the process except for number five. Requesting the funding through a legislative action for a study needs to be done now if we can get the

funds to do it. Then we, as a Task Force, have the opportunity to review and use it in making our final decision.

David Hurd:

Joan, to what degree does the study the Iowa Utilities Board has just begun, correspond with number five?

Joan Conrad:

Reading the information provided to the Task Force on Docket No NOI-00-4 and Docket No INU-00-5 (*Energy Legislation for 2001 Session*) will be helpful because Docket No NOI-00-4 has a relation to number 1 (*Energy Reliability for Iowa*). Some of the topics included in that docket are: interruptions of service, notification of outages, service quality, restoration standards, power quality, maintenance, tree trimming and public safety. In terms of Docket INU-00-5, I believe that the investigation on both the transmission and distribution systems and also capacity and power planning go with number 5 (*Energy Reliability for Iowa*).

Lee Clancey:

I would like the Iowa Utilities Board to take a look at the Colorado study to see if it is similar to what the Task Force is looking at doing.

Sandy Opstvedt:

I will get a copy to Joan before the next Task Force meeting.

Joan Conrad:

I would also like to reiterate that the Docket #INU-00-5 goes to the three IOUs. The Docket #NOI-00-4 is a very participatory process. We invite any parties who are interested in that Docket #NOI-00-4 to come make their comments.

George VanDamme:

What about the rulemaking and Governor's initiative regarding the review of all the rules? Won't that take care of some of these things also?

Joan Conrad:

There is a government-wide effort having all state agencies review all their rules. They are updating rules, making them current and also looking at areas that need improvement.

Lee Clancey:

I am now seeing that there are four possible recommendations on the table. George, does the draft that Sandy handed out differ greatly from the draft you e-mailed to Task Force members?

George VanDamme:

Sandy's is more detailed. That was one of my concerns. Do we want legislators tinkering in this very technical subject? We might end up with a system we can't afford and that may not work.

Sandy Opstvedt:

I think that this is for us as a Task Force to determine. In my conversations with the Governor, that is what his expectations of the Task Force were. This is a serious issue that affects lowans right now. By the time we get through the course of this Task Force we should have the knowledge that is required to make the recommendations to carry forward to the Governor.

George VanDamme:

I agree with that. What I am trying to do is not send something up to the Governor's legislative office by December 1 trying to solve this. This is a task of this group until October 2001 not December 2000.

Lisa Davis-Cook:

My concern is the \$44 million and making sure that it doesn't go away - that we do something to save it before it disappears. I typed up a couple of ideas that deal with energy efficiency and renewables (*Energy Efficiency and Renewable Energy Policy Recommendations*). I just wanted to have some recommendations that talk about efficiency and renewables that show the Task Force believes that they are important. Something should be done to preserve funding for these sorts of programs. This goes along with the \$44 million topic in making sure that it is still available for these sorts of programs, among others.

Lee Clancey:

What I would like to go away with today is a list of the issues we would like to recommend to the Governor. We could then spend the next couple of weeks filling in the blanks on the recommendations themselves. That way when we come back on November 27 we would have something to look at that is in fact what we want to send to the Governor. The recommendations we have are: 1) Allocation of \$10 million to address energy costs for low-income lowans.

Lana Ross:

I will make the change to write "possible" strategies into number 1. I would also add the strategy of funding this from the general fund. Are there other strategies I should list under that particular recommendation?

David Hurd:

My mind is questioning the figure of \$10 million, wondering whether we ought to be specific and explain how we arrived at that number, or non-specific and say that since there is going to be an increase in the bills that we need the funds to help low-income lowans?

Lee Clancey:

Is the \$10 million based on anything?

Lana Ross:

Yes, Jerry McKim and I worked on this together. There is something else I need to add. This has to do with energy costs now. I think we talked about the urgency of this. Number 2, which has to do with secure state funding, is in our short-term goals. We talked about short term and long term. Number 1 is the urgent, and number 2 is the short term goal we would take to the Legislature. The \$10 million is the amount that Jerry estimated he will need to address the low-income families this winter.

Lee Clancey:

So that needs to be addressed the first week of January?

Lana Ross:

Right. Jerry, do we have justification on how we came up with \$10 million figure?

Jerry McKim:

All I can tell you is what I could do with \$10 million. Everything I am doing now is pure speculation. Our program started October 1, 2000. I am seeing a 30% to 100% percent increase in participation at this time. What I don't know is if that trend will continue for the next 2 or 3 months, or if people are just signing up earlier than last year. I think it is a safe assumption that there will be an increase in participation of about 30% or higher at a minimum. The funds I have available will allow me about a 29% increase in participation over last year. \$10 million would allow me to raise the benefit to those participants in the way of supplemental payment of about \$100. I might be able to go from a \$300 to a \$400 average benefit. I just picked the \$10 million number because I thought that it would at least begin to address the crisis. Congress will not reconvene until December 5, and we are still working with a bill that has yet to be decided. We are assured \$1.1 billion for this year, which is \$19.9 million for Iowa, which is status quo for Iowa.

Sandy Opstvedt:

In your figures you are talking about the 100% poverty level not the 185%.

Jerry McKim:

My program right now is 150% of the federal poverty level. Now, 185% is really in there for the first part of that deal. I am all for the urgent need of \$10 million.

Lee Clancey:

Do we have any idea as to what that portion of the utility's sales tax receipts will amount to?

Jerry McKim:

We are getting \$110 million right now at 5%. If we see a 50% increase, which we are, that is a \$50 million windfall.

David Hurd:

How much money have you got now without the \$10 million?

Jerry McKim:

I am still talking about money available for client payments. For my emergency allocation, I have \$6.5 million. For my first quarter allocation I received a few days ago based on the \$1.1 billion federal appropriation that we know we got for sure, I have \$11 million. I have a second, third and fourth allocation. We get about 80% of our allocation in the first quarter. If congress does approve the \$1.4 billion and Iowa gets the additional \$5.5 million, my total resources available will be about \$24.4 million for payments. Divide that number by \$306 average payment, that is 79,000 households, which is a 29% increase in participation over last year. That number comes from what is modest and doable, given the political will of people, of what I thought we could probably accomplish.

Lee Clancey:

The second issue is to secure state funding for low-income energy affordability and energy contingency fund. I think there are two issues here. One is secure for this kind of fund, the second is the \$44 million and the appropriate way to fund it, and should we even be holding that over for a year. Securing state

funding for affordability and efficiency fund may be a good idea. There may be lots of possibilities for funding it. In this case I don't want to tie those two together.

David Hurd:

We want to make these recommendations as precise as we can. I would separate the two.

Lana Ross:

Are there other possible strategies that I should list under securing state funding for low-income energy affordability and energy efficiency fund or just leave it at that?

Lee Clancey:

It could be a possible strategy, but I think it is a separate issue. The impact of this fund is considerable on our economic development efforts, on a lot of other issues related to energy generation. I think we need to have discussion on whether this is a positive thing for this Task Force to suggest or do we even have enough information to even suggest it.

George VanDamme:

I think we need to help the needy. I believe if you are going to build a strategy, the best one is to get it out of the sales tax windfall--\$44 million only comes out of the industrial and utility customers, and I believe the Iowa Utilities Board is going to give us data showing the amount of money is biased to large customers. They were the larger participants in load management. They are paying more of the \$44 million than the rest of us. Continuing the collection of the \$44 million as it is done now hurts economic development because it raises the costs of customers of only Investor Owned Utilities. It puts a larger burden on the industrial customer.

Lee Clancey:

There is a fairness issue here as well. If it is going for societal purposes statewide, the burden of paying for those purposes only falls on the IOUs. It does not fall on the municipals or RECs. Are we going to then limit where that money is spent into, only those areas served by IOUs? I think we need to be very careful when we are talking about this.

Sandy Opstvedt:

Isn't that something we need to continue to investigate throughout the Task Force? We could hold the \$44 million for one year, but make a recommendation about spreading this charge fairly between the IOUs, municipals and RECs.

Brenda Dryer:

My concern on the \$44 million is that it is really a payment for past energy efficiency. We are continuing to collect the BTU tax for current programs. That is my opinion. I am in the business of trying to make Iowa an attractive a place as possible to do business. To even recommend that we are going to continue to collect that fee, when it was designed for four years to pay back for those past energy efficiency programs, causes great concern to me. It is not as though we are doing away with funding for energy efficiency because we are continuing to collect whatever the difference is between the \$81 million and the \$44. But this is for past payment.

George VanDamme:

The legislation was that it would go away. We didn't like it, didn't like paying more money. It's pay me now or pay me later. We didn't agree to the legislation being forever.

Lana Ross:

No, it was a sunset, but at that point we could always present another proposal.

Lee Clancey:

I guess the issue I have is for what purpose? How is it going to be used? The fairness issue of applying it to IOUs. I wouldn't have as much a problem with this if it was applied uniformly against the IOUs, municipals, and RECs and then was used for some societal purpose statewide. I do have a problem with it being applied to only IOUs and using that money on a statewide basis for societal purposes. I don't know what other purpose we would use it for.

Sandy Opstvedt:

On November 27 we are having the IOUs come in and talk to us. Could we also have someone from the municipals and RECs come in and address that issue at that time?

Lee Clancey:

That was my question this morning when I asked why aren't the municipals and RECs rates regulated? It goes to that issue as well. I don't know why they are not applied uniformly across the state.

Sandy Opstvedt:

I would just like to hear their input to the Task Force on that, rather than us just speculating.

David Hurd:

I believe there are compelling arguments as to why the \$44 million should be abandoned and why it should be continued. I would like to see us make a short-term decision to continue it for one year to give the Task Force time to work through the pros and cons of the unfairness, uses of the money, and whether that relates rationally where that money is coming from. We can then make a temporizing decision recommending it be continued for one year, rather than making an all-time decision either to keep it or get rid of it.

Lana Ross:

Chances are it wouldn't even be a year because those are coming up at different periods July through October.

Lisa Davis-Cook:

The thing is, too, regardless of how it has been collected or spent in the past if we just continued it for this year to give us a chance to explore the options, there is no saying it has to be collected the same way it was before. I learned last year all the inequities of who it is collected from, who pays the most, that sort of thing. There is no reason we could not change the way it was collected. As a Task Force we could recommend a change that would make it more equal, to make sure everyone that gets the benefits is paying for it as well. That is something that Roya talked about with the system benefits charge. It is applied to all customers, not only IOUs customers. I think we are short sighted if we just say it was collected wrong in the past so we should just get rid of it. I think there are ways to move forward with it and make it an even better program without just scrapping it.

Lana Ross:

I think we have to talk about what George VanDamme is saying. Big parts of that money is coming from business. Maybe we can correct that issue over the next year as well.

George VanDamme:

That is the beauty of using the sales tax windfall. I believe all IOUs, Municipals and RECs pay that tax. The recommendation to the Governor could be something like use the sales tax windfall to fund these programs then let the rest of the \$44 million go back to the customers. Joan Conrad just said that commercial and industrial customers pay 53% of the \$44 million.

Lee Clancey:

The original legislation stated that the money was being used to repay the utilities for their energy efficiency programs that they worked on with customers. If it was legislated to sunset at various times in 2001 and we advocate keeping it in place, my gut feeling is that it would have to be for a specific reason. We couldn't just arbitrarily say we want it held over but we don't know what we want to do with it yet. The original intent of the legislation would not be the same. If we are going to impose that kind of a tax on the ratepayers, they need to know what it is going for, why they are paying it. Just asking them to keep paying the money for an unknown reason, that isn't really related to the original legislation, is of concern to me.

Don Wiley:

I think that is one of the cynicisms of society today. You pass a tax for a bond issue, you don't trust those in charge to take it off once it is done. Once you agree to it, and that issue is done, you never see that come off. There is always another reason to keep it on. One way we got a bond issue passed in Mount Pleasant was making sure when the former one expired we stopped it. We turned around and asked for another one. We did not ask for an extension. It seems to me like this windfall tax amounts to a lot more than \$10 million. I think I read in the paper that they were talking about rebating that back as a tax rebate instead of using it. I say it would be better not to rebate any of that tax back. If that \$44 million had purpose and that purpose is done, I don't see how we can keep it in effect, even if it could be used for noble purposes.

Lisa Davis-Cook:

I don't see that the purpose is done. The purpose was energy efficiency programs. The past programs are done but there are still efficiency and renewable programs to be done. This is a way to fund, not only what we are doing now, but the things we are not doing. We have heard from our panelists and state agencies that there is a lot of energy efficiency that is not being done out there. This may be a very good way for us to get those needed programs done and ratepayers not see a huge jump in their rates.

Lee Clancey:

I don't think any of us on the Task Force would disagree that there is still a lot of work to be done in this area. I think Don Wiley makes a valid point. If this is good, if it something we want to see happen, we should go back and say here is what we need. I have a hard time collecting money for a program that was legislated to be finished without going back and being honest with people that we still need the money. Here is the optional way to pay for it, continuing a rate you are already paying. Looking at the windfall sales tax and perhaps a source of funding for it. I think it goes back to the discussion about strategies. We could offer possible strategies for all these things. I think it is better to offer more options and let them pick and choose. I know nobody around this table is aware of all the funding possibilities that might be out there. Maybe this isn't the best one.

Lana Ross:

My concern is, if we let the \$44 million fall off and we don't have another plan in place at the same time, it will be very hard to get something new. I think if it is scheduled to sunset, we do what Don Wiley said. This is the original intent of this legislation, it ends at this time, but we would like to continue doing these kind of efficiency programs. There will be no additional cost to us as the payer, but it is new legislation that does a new thing.

Lee Clancey:

There is no question that if that is the way this Task Force wants to go, it will have to be a legislative decision. To suggest to continue, even on a temporary basis, without knowing what the money is going to go for is a mistake. If we believe that is the best way to fund some of these programs, then that is what we should be suggesting programs.

David Hurd:

We could express our recommendation that this could be in the form of new legislation or simply a continuation of what is in place, however the Legislature chooses to do it. You wind up with the same answer. We have had a lot of discussion on this. People are probably making up their minds. I wonder if we ought to take a vote on this item then move on to the next one. This way we have some way to come to a conclusion.

Sandy Opstvedt:

I wonder if we are not moving too fast. \$44 million is a lot of money to make a snap decision on whether or not we go ahead with it one more year. I think that we really need to have more information before we vote on what we are going to do with it.

David Hurd:

I'm worried about the clock. We have one more meeting on November 27 before our December 1 deadline to have recommendations.

Sandy Opstvedt:

It is very difficult for this Task Force to decide on the \$44 million dollars and the impact that it has on the state of Iowa to drop it or not drop it without proper information.

Lee Clancey:

What we are talking about is a finite amount of money which could be used for multiple purposes. We also have an equal amount in a state sales tax on utilities. Are we looking at utilizing both those pools of money? How much money do we need and for what purpose? If we have \$50 million in sales tax windfall and \$44 million in past energy efficiency programs, aren't they almost the same? What would be the purpose of keeping the \$44 million?

Don Wiley:

Keep the one that is there. We are not adding a new sales tax. It is already sales tax that is going to be generated through new sales. We are not adding another tax, we are just having more sales, which is going to advantage that tax. Don't give that away. Keep that because we will need it. Recommend that we continue what we were going to do in the beginning. This is going to sunset, but we still need that money, and we would ask that all that sales tax receipts go to energy. That is what is collected on.

David Hurd:

The character of the two amounts are different. The \$44 million would continue for one year then a decision as to whether to continue it on would be an annual. The increase in sales tax is related to the rise in energy costs this year presumably will vary in the years ahead.

Don Wiley:

I would think it would be a short-term recommendation we are making. It is not a long-term goal.

Lana Ross:

If we lose this \$44 million that people are used to paying and try and get it after the sales tax money, it is lessened because we aren't paying so much for our utilities. Then it is an increase because they are used to not paying it. It is more than what they have been paying because we let it fall off the bills.

Joan Conrad:

You seem fairly confident that we should get the number for the excess sales tax from Revenue and Finance because it has already been estimated and they don't think it will be \$50 million. I would offer to get that number from Revenue and Finance and e-mail that to Task Force members.

Brenda Dryer:

The \$44 million being paid now is not doing anything for any programs we are doing now. There is \$39 million that is used for energy efficiency. It is like me having a mortgage and getting one year from paying it off and deciding to pay it one more year. I guess that is where I struggle a little bit. This \$44 million is a debt we are paying off as customers, when that comes off, if there is a need big enough I feel like then yes, present something. I feel really strongly that the \$44 million is really not ours to spend on anything else. It is paying off a debt and doing nothing for us today anyway. This \$40 million is what is going into new energy efficiency programs which we know are important.

Lana Ross:

What is that \$40 million being spent on and what are we doing with it?

David Hurd:

I think we have got to go to a vote on this. We have run out of time. There has been a lot of expressing of opinion. We ought to collect a vote on being in favor of collecting the \$44 million for another year or opposed to continuation of the collection of the \$44 million and let it expire. I'm trying to make the issue as straight forward as possible. Is everyone clear on what we are voting on? We can vote by show of hands, going around the table, what is everyone's preference.

Lana Ross:

If we want to continue the collection of \$44 million, we will come up with specifics at a later time?

David Hurd:

Lets do it by show of hands. Those that are in favor of continuing the \$44 million for another year?

(Vote was 6 in favor, 5 opposed, in continuing the \$44 million for another year.)

Lee Clancey:

We know that it is a very split Task Force now. I am going to ask that we wait and get the information from Revenue and Finance on what the sales tax windfall might be. This is something that we will have to

discuss again next time. Is anyone willing to put together some thoughts on opposing sides for our consideration on November 27?

(Lisa Davis-Cook and George VanDamme will put together some pro and con points regarding the subject of the \$44 million to review during the November 27 Task Force meeting.)

David Hurd:

I think we need to look at the special energy assistance to low-income families issue because we have a tough winter coming up. We see that we should devote some substantial resources. I suggest we vote on that issue without getting into things like how many dollars, or from what particular source. The main idea is do we or don't we see a necessity to provide extra assistance to low-income families on heating bills.

Lee Clancey:

All those in favor raise your hands. *(All Task Force members)* Any opposed? *(none)*
(Vote was unanimous with all Task Force members present voting in favor of the necessity to provide extra assistance to low-income families for heating bills.)

David Hurd:

Weatherization was a topic that was discussed in our panel and one that pops up in two or more of the ideas that have been suggested. It is in the nature of wanting an expansion of the weatherization program for low-income families from running about 2,000 houses per year currently up to 4,000 per year level. I admit to vacillating on this issue. I think it is an important thing, it would be good to do it. I am not sure whether it is of the nature that it should be a short-term recommendation to the Governor. How do you all feel about it.

Lee Clancey:

I think that this is something that does take on a sense of urgency for me. Especially with not knowing where fuel prices are going in the future, I am making the assumption that they are going to be high. If we can weatherize more homes, more quickly, it just means that those folks will need less low-income assistance. You are either going to pay them low-income assistance for their energy bills or we can put the money into their homes to help them with the bills themselves. It is not going to go away. We have thousands of clients that need to be served. Delaying it any further just means we push it back a year.

Joyce Mercier:

It takes a certain length of time to gear up to increase this number, I think we ought to do it immediately.

George VanDamme:

It is certainly a need. The devil is in the details. You have to iron out who pays the bill, whether the landlord or tenant gets the benefits. We have done this in Illinois and it was a headache. It is something that needs to be done to help the residents but the bill will probably get fairly long.

Lee Clancey:

All those in favor of increasing the weatherization program assistance please raise your hands. *(Vote was unanimous for all Task Force members present in favor of increasing the weatherization program assistance.)*

The one recommendation for energy reliability, #5 on Sandy Opstvedt's draft, regarding the comprehensive study as to the safety, reliability and capacity of both electricity and gas systems.

George VanDamme:

Did we decide to do that or are we going to wait for the Iowa Utilities Board to get the Colorado study?

Lee Clancey:

Joan Conrad will be getting the Colorado study and give us the comparisons as to what that study has accomplished as opposed to what you hope to accomplish.

Sandy Opstvedt:

We are not saying that a study in Iowa would have to be exactly like the Colorado study. It would need to fit the needs of the state of Iowa.

Lana Ross:

So should we take a look at that study then vote on this issue at the next meeting?

(Decision was made to wait until the November 27 meeting to vote on this issue.)

Lee Clancey:

Any other recommendations that anyone wants to discuss?

We clearly spoke to the \$44 million issue. We did not speak to securing state funding for low-income energy affordability and energy efficiency fund. I think that is one of your issues Lisa. Why don't we discuss that right now?

Lisa Davis-Cook:

Basically all I tried to say in these two recommendations is that the Task Force believes that energy efficiency and renewable energy are important. There should be funding for those and other programs like them. I did not put any numbers to this or list specific programs. I just thought it is out there and that the state should continue with these programs.

Lee Clancey:

Is that something we need to push for in this legislative session?

Lisa Davis-Cook:

I don't think we necessarily need to push for it. I think it is tied up in the whole discussion of the \$44 million if we continue that and what it will be used for. Other people may have other feelings.

David Hurd:

My reaction is that this is a foundation statement from which the Task Force work can build from, not a call for specific legislation.

Lana Ross:

I think Lee Clancey is right. We have not done a secure funding source for low-income fund. The original allotment of money is for immediate urgent needs. We have not looked at this as being a priority for ongoing funding outside of the \$44 million.

Lee Clancey:

Is this something you think is an issue you would like to have the Legislature take a look at in this legislative session?

Lana Ross:

The one we just voted on is not ongoing. It is just to secure an allotment for this immediate urgent situation present for low-income. I would like to see the Task Force recommend that a long-term funding source be established at the state level for low-income families.

Brenda Dryer:

Can't that be something we discuss later this year, since we are suggesting this year that we look at the sales tax windfall that will be a course of formal recommendations at the end of year?

Lana Ross:

If we want something established for next year it needs to come out of this legislative session.

Joyce Mercier:

I think we need to think about establishing that fund now. If we don't, we will probably have another urgent situation next year.

Don Wiley:

My initial feeling on that was that we hate to do anything but short term because you want the complete package. But think about that, there is a lag from when you want it. The question is do we feel when we get done in a year, we would not probably want a provision such as this in our comprehensive proposal. If we think we do, then we would not be remiss in going ahead on this issue and getting it out ahead of the others. We would want to come back and encompass it and look at it as a total package so we are not too disjointed in our final report.

David Hurd:

I think we may know well enough at this point that this is an ongoing problem that will have to be dealt with. We could work on it now and again in our final report.

Don Wiley:

We could have some better strategies and recommendations on how to do it at a later time, but we could go ahead and hit it at this time so that they would know it.

Lee Clancey:

All those in favor of including a call to secure state funding for low-income energy affordability and energy efficiency fund raise your hands please.

(Unanimous vote in favor of securing state funding for low-income energy affordability and energy efficiency fund by those Task Force members present.)

David Hurd:

How many recommendations does that give us?

Lee Clancey:

That gives us 3 unanimous votes. One split vote. We are holding the study recommendation until next time. Any other comments?

Lisa Davis-Cook:

I also have one recommendation that deals with renewable energy, too. This gets into encouraging use of renewable and funding the research and development of them as well.

Lee Clancey:

I think that is something that will be more of a long-term recommendation. I think we need some more time to discuss that. Any other comments to that one? All those in favor of having some kind of recommendation regarding renewable energy as a short-term recommendation please raise your hands. (2 votes in favor)

We will take that up as one of our long-term recommendations. Any other items that anyone wants to bring forward?

Sharon Tahtinen:

My understanding is that there might be a renewable panel meeting for December. Should we be talking about a date for that?

Task Force Discussion:

Looking at possible dates for a December meeting. Final decision for December meeting is Tuesday, December 12, 9:30 a.m. – 1:30 p.m.

Lee Clancey:

On the December 12 meeting we will have a panel put together regarding renewables.

David Hurd:

Let's remember on November 27 we will be starting at 9:30 a.m and ending at 1:30 p.m.

MEETING ADJOURNED AT 2:00 PM